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dba Tulare Regional Medical Center

IN THE UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF CALIFORNIA

FRESNO DIVISION

In re

TULARE LOCAL HEALTHCARE  
DISTRICT, dba TULARE  
REGIONAL MEDICAL CENTER,

Debtor.

Tax ID #: 94-6002897  
Address: 869 N. Cherry St.  
Tulare, CA 93274

CASE NO. 17-13797

Chapter 9

DC No.: WW-43

Date: August 23, 2018  
Time: 9:30 a.m.  
Place: 2500 Tulare Street  
Fresno, CA 93721  
Courtroom 13  
Judge: Honorable René Lastreto II

**MOTION FOR SUBSEQUENT EXTENSION OF DEADLINE TO ASSUME OR REJECT  
NONRESIDENTIAL REAL PROPERTY LEASES**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

TULARE LOCAL HEALTHCARE DISTRICT, dba TULARE REGIONAL  
MEDICAL CENTER (the "District" or "Debtor") hereby files this Motion for Subsequent  
Extension of Deadline to Assume or Reject Nonresidential Real Property Leases which  
seeks an order pursuant to 11 U.S.C. §§ 901 and 365(d)(4)(B)(ii) extending the time for  
the Debtor to assume or reject a nonresidential real property leases.

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1 This Motion is based on the Motion, the Notice, Memorandum of Points and  
2 Authorities, the Declaration of Sanford Haskins in Support of the Motion, the files,  
3 pleadings and orders on file in this Chapter 9 case, and such other and further evidence  
4 as made properly before the Court.

5 The District respectfully requests that this Court enter an order pursuant to 11  
6 U.S.C. §§ 901 and 365(d)(4) as follows:

7 1. The District is the Debtor in the above-captioned Chapter 9 case, which was  
8 filed on September 30, 2017 ("Petition Date").

9 2. This Court has jurisdiction over this Motion pursuant to 28 U.S. C. §§ 157 and  
10 1334. Venue is proper before this Court pursuant to 28 U.S. C. §§ 1408 and 1409. This  
11 matter is a core proceeding to 28 U.S.C. §157(b)(2).

12 1. The District represents as follows:

13 a. The District's assets include the following unexpired leases for  
14 nonresidential real property:

15 i. Lease between the District and Heiskell Ranches, LP for 880 E.  
16 Merritt, Suites 105-106, Tulare , California ("Family X-Ray Center  
17 Lease");

18 ii. Lease between the District and Heiskell Ranches, LP for 880 E.  
19 Merritt, Suites 107-109, Tulare , California ("Mineral Kings  
20 Toxicology Lease"); and

21 iii. Lease between the District and City of Tulare for 325 N. West St.,  
22 Tulare, California ("Westside Clinic Lease");

23 (collectively, "Unexpired NRRP Leases").

24 b. The initial deadline for the District to assume or reject the Unexpired  
25 NRRP Leases under 11 U.S.C. § 365(d)(4)(A)(i) was May 29, 2018.

26 c. On May 1, 2018, the District moved this Court for an order extending the  
27 initial deadline to assume or reject the Unexpired NRRP Leases pursuant  
28 to Section 365(d)(4)(B)(i) (Dkt. 505, WW-37).

- 1 d. On May 17, 2018 the Court issued an order extending the initial deadline  
2 to August 27, 2018. (Dkt. 528, WW-37).
- 3 e. On July 20, 2018, the District filed its Motion for Authority to Enter into  
4 Transaction Including Borrowing Funds, Sales of Personal Property and  
5 Providing Security, Assumption and Assignment of Contracts and Leases  
6 and for Authority to Lease Real Property. (Dkt. 603, WW-41) ("Motion to  
7 Enter Into Transaction").
- 8 f. The Motion to Enter Into Transaction essentially seeks court approval to  
9 enter into a transaction with Adventist Health System/West which would  
10 allow it to reopen its general acute care hospital and resume its business  
11 operations (the "Transaction").
- 12 g. The District now requires additional time to evaluate the Unexpired NRRP  
13 Leases in light of the Transaction in order to make a determination  
14 regarding whether the Unexpired NRRP Leases will be assumed or  
15 rejected.
- 16 h. The Family X-Ray Center Lease and Mineral King Toxicology Lease  
17 ("Heiskell Leases") have the same Lessor, Heiskell Ranches, LP  
18 ("Heiskell"). The District was current on the Heiskell Leases as of the  
19 Petition Date and through December 2017. Thereafter payments were not  
20 made for the period of January through April 2018. In May 2018 the  
21 District resumed making the monthly payments on these leases. The  
22 District is prepared to remain current on these leases throughout the  
23 subsequent extension period. The District remains engaged in ongoing  
24 discussions with Heiskell regarding payment of post-petition amounts.  
25 The Heiskell Leases will expire in February 2019.
- 26 i. The Westside Clinic Lease is a 25 year lease which will expire in 2036.  
27 This lease was paid in full in 2012. The District will need to consider the  
28 impact of assumption or rejection of this lease on the pending Transaction.

- 1 j. The District therefore seeks additional ninety day (90) extension of the  
2 deadline to assume or reject the Unexpired NRRP Leases.
- 3 k. The District understands that because the initial deadline was previously  
4 extended pursuant to 11 U.S.C. § 365(d)(4)(B)(i) the Court may grant  
5 subsequent extensions only upon the written consent of the lessor in each  
6 instance.
- 7 l. Accordingly, the District is working to obtain the consent of Heiskell  
8 Ranches and the City of Tulare. Once consent is obtained, and prior to  
9 the hearing on this Motion, the District will immediately file proof thereof by  
10 way of supplemental pleading.

11 WHEREFORE, the Debtor prays that the Court grant a subsequent extension  
12 pursuant to 11 U.S.C. § 365(d)(4)(B)(ii) of the date by which an unexpired lease of  
13 nonresidential real property shall be deemed rejected if the Debtor does not assume  
14 from August 27, 2018 until November 25, 2018, and that the debtor have such other  
15 relief as is just and proper.

16  
17 Dated: July 26, 2018

WALTER WILHELM LAW GROUP,  
a Professional Corporation

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19 By:   
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Danielle J. Bethel, Attorneys for  
Tulare Local Healthcare District, dba Tulare  
Regional Medical Center